

| L Number | Hits | Search Text | DB | Time stamp |
|----------|------|--|--------------------|------------------|
| 1 | 90 | (rat???? or qualif????) near4 (bids or offers) | USPAT; EPO; JPO | 2002/11/12 14:19 |
| 2 | 119 | (rat???? or scor??? or qualif????) near4 (bids or offers) | USPAT; EPO; JPO | 2002/11/12 14:27 |
| 3 | 16 | ((rat???? or scor??? or qualif????) near4 (bids or offers)) and (bidders or contractors or sellers) | USPAT; EPO; JPO | 2002/11/12 14:27 |

| Set | Items | Description |
|-----|-------|--|
| S1 | 7721 | (SCOR? OR RAT\$3) (10N) (BIDS OR OFFERS) |
| S2 | 246 | S1 (S) (CONTRACT OR PROJECT) |
| S3 | 74 | (VENDORS OR BIDDERS OR SELLERS) AND S2 |
| S4 | 61 | RD S3 (unique items) |
| S5 | 48 | S4 AND PY <2000 |
| ? | | |

01613672 02-64661

GM awards services deal to CSC

Caldwell, Bruce

Informationweek n676 PP: 36 Apr 6, 1998 ISSN: 8750-6874 JRNL CODE: IWK

DOC TYPE: Journal article LANGUAGE: English LENGTH: 1 Pages

WORD COUNT: 413

ABSTRACT: General Motors Corp. last week carved out an \$85 million chunk of EDS's business and awarded it to Computer Sciences Corp. The deal is the first designed to cut costs at GM by opening up pieces of the automaker's huge EDS services contract to competitive bidding. CSC won a 10-year, \$85 million contract with GM's Locomotive Group, a \$2 billion business unit. The contract covers help-desk and distributed computing services for 2,200 users, as well as engineering computing, applications development, and maintenance.

TEXT: Headnote:

\$85M contract for distributed computing and help desk reduces reliance on EDS

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"This is a pretty stunning inroad into a previously closed, all-EDS domain," says Steve McClellan, a Merrill Lynch analyst. "And there are more pieces to come."

GM spun off EDS in 1996, about 12 years after acquiring the services firm, and began building an internal IT management team and strategy. EDS still gets the vast majority of GM's business, mainly via a 10-year services contract worth \$3.6 billion a year. But GM plans to put as much as 25% of that business up for competitive bids, possibly as soon as 2001. 'Multivendor World'

The Locomotive Group deal means EDS and CSC staff will work together at the GM unit. EDS will provide WAN and mainframe computing services and carry out all year 2000 compliance efforts by year's end before handing over applications support to CSC. About 128 EDS technical staff will be offered jobs with CSC. "We will all have to learn to work together in this multivendor world," says Dana Deasy, CIO at the Locomotive Group.

Next, says Robert Chaffin, GM's finance director of information systems and services, GM may put out for tender parts of the \$580 million business that EDS does annually with GM auto parts units Delphi and Delco. Chaffin says GM expects to put out to bid about \$210 million this year, including the CSC deal, and the same in 1999.

The five **vendors** that competed for the CSC deal were each graded on pricing, service-level agreements, compliance with GM's request for proposals, metrics, quality of management, and ability to provide value-added solutions. CSC **scored** highest overall, says Deasy.

Deasy says cost savings from **bids** on the \$85 million CSC deal have freed up funds for other technology projects. GM is awarding CSC a smaller

deal for the first phase of a **project** to implement SAP Financials, for instance. GM also plans implementations of PeopleSoft's human resources applications and a product data-management application.

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COMPANY NAMES:

General Motors Corp (DUNS:00-535-6613 TICKER:GM)

Computer Sciences Corp (DUNS:00-958-1091)

Electronic Data Systems Corp (DUNS:04-666-7523)

GEOGRAPHIC NAMES: US

DESCRIPTORS: Automobile industry; Outsourcing; Computer service industry; Contracts

CLASSIFICATION CODES: 9190 (CN=United States); 9000 (CN=Short Article); 8680 (CN=Transportation equipment industry); 5120 (CN=Purchasing); 8302 (CN=Software and computer services)

...TEXT: 210 million this year, including the CSC deal, and the same in 1999.

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5/7, K/16 (Item 1 from file: 476)
DIALOG(R)File 476:Financial Times Fulltext
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Survey - Private Finance Initiative: It's time for a good think: THE LESSONS SO FAR: Jeremy Coleman, the National Audit Office's director of value for money, tells Nicholas Timmins of what has been learnt from the NAO's first three reports

NICHOLAS TIMMINS

Financial Times, Survey London Edition 2 ED, P 6
Friday, November 14, 1997

TEXT:

The basic lesson, Jeremy Coleman says, is simple: 'Think.' It lies, he says, behind every conclusion that the NAO has drawn from its published studies on the Skye bridge in western Scotland, the new National Insurance recording system, last month's report on the first PFI prisons, and its soon-to-be-published work on the first four privately-financed roads.

As he draws the lessons out from these and other studies, an apparent paradox emerges. The NAO is the guardian of all that is correct and proper in government accounting, the body that might be seen as the bean-counter to end them all. Mr Coleman himself might even seem to epitomise that. But his message in relation to the PFI is otherwise. If you want value for money, it goes, then innovate; be more flexible, more imaginative, less rule-bound. .

Only, of course, up to a point. There is public money at stake. But the more that civil servants think through what they are trying to do with a PFI project, from the very beginning to the exit strategy which may be 20 years and more away, the better the deal is likely to be. Given that the PFI is relatively new, he says, that means thinking anew.

The successful deals, he says, are those where the department has concentrated on outcomes. And that means first a good business case - 'what are you trying to achieve, and why; what will the benefit be, and how will the PFI in particular help?'

Then, he says, choose the right procedure: don't just blindly follow rules, whether European Union directives or UK treasury notes which are meant to be guidance, not a rule book.

'Of course you have to follow the law, both UK and EC,' Mr Coleman says, 'but within that there is quite a lot of scope to chose a procedure that suits your project.'

At present, he says, there is a mismatch between EU law and the PFI, chiefly because the PFI is new and most of the law was designed for traditional public sector procurement.

'The problem is that the procedures are formal. They can appear very rigid and stifle innovation when the whole point of the PFI is to bring new skills, new people and new ideas to what have often been rather boring bits of government administration. Innovation is the key to getting outstandingly good results.'

For example, in the interests of fairness, many departments traditionally invite all **bidders** to a question-and-answer session. Everyone hears everyone else. 'The difficulty is that the really bright **bidders** know that a question can reveal something about the solution they have in mind. So they don't ask, for fear of alerting competitors. That leads to a result

which isn't sensible. The **bidders** are less well informed about the scope for innovation, so they don't innovate. This is a common complaint.'

The answer, he says, is that it is possible within the law to conduct such sessions as bilaterals.

Another problem is that the wording of invitations to tender in the official journal has often been too narrow. In the case of the National Insurance system, that meant some potentially very good solutions could not be accepted.

'They would have had to start all over again and put that idea out to tender - something that would hardly have pleased its originator. That's an example of where the law does not require rigidity, but a department can be stuck with it through failure to think the thing through.'

Departments must also establish the conditions for successful competition - informing the industry early, appointing '**bidders'** friends', stimulating the market. That was done well for National Insurance but poorly for the Skye bridge, where none of the original bids met the specification. Departments must work to generate interest, Mr Coleman says.

Much tighter control of procurement costs was needed, with some departments having run up millions of pounds on outside advice that in many cases was not properly budgeted for. And more imagination is needed in judging **bids**.

'A common traditional procedure is to **score** points for hundreds of features of a bid and then add up the result,' says Mr Coleman. 'But the home office's immigration **project**, for example, is less an IT **project** than a huge change of culture for the organisation. You simply cannot score varying proposals for culture change on a points system. It requires exercise of judgment, and people should not be afraid of that.'

There are worries, too, about 'deal creep' - the public sector finding the bargain gets worse once a preferred bidder has been selected. The answer, he says, is to keep that period as short as possible. And if there was a good business case to start with, the public sector will be able clearly to judge when the deal ceases to be worthwhile, providing what Mr Coleman calls 'a hard-nosed bottom line'.

In deciding finally whether to go ahead, a comparator of what the public sector alternative would have cost is valuable. 'But again this should be an aid to judgment, not a mathematical answer. You get questions from a public sector comparator, not answers'. In addition, they can be too sophisticated, the department of transport, for example, having spent millions on over-elaborate comparators.

Departments must also think hard about exit strategies so that service quality does not decline near the end of the contract. One effective way to do that is seen in the right Andersen Consulting has to a transfer payment at the end of its National Insurance contract if the system is still up to scratch but the new deal goes to a rival bidder.

Finally, there are some longer-term issues about affordability, which are more for the treasury than the NAO. The long-term, inescapable commitments being taken on through the PFI must be monitored, Mr Coleman says. Their scale will affect the rest of a department's and the government's programme, and sometimes in less-than-obvious ways.

The road contracts, for example, specify broadly the same standard of maintenance as for conventional roads. But under the PFI these have to be met; for ordinary roads, maintenance is often the first item to suffer when money is tight. With the PFI this means less flexibility to juggle the budget year on year and less money for other maintenance, even if for the motorist on the few PFI roads it means a good deal.

Overall, Mr Coleman says, the message remains that within the rules civil servants should 'think and innovate'. The reason some are not doing so, he says with a smile, may be that 'no one quite believes yet' that the NAO is saying it.

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1997

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NORTHERN CALIFORNIA POWER AGENCY INCREASES SOLICITATION TO 340 MW

Electric Utility Week August 19, 1991; Pg 11

Journal Code: EUW

ISSN: 0046-1695

Section Heading: Planning

Word Count: 235

TEXT:

The Northern California Power Agency (NCPA) has increased the amount of power it will procure from its recently released solicitation from 200 MW to 340 MW (EUW, 29 July, 11).

By Aug. 8, 122 **bidders** had responded to NCPA's supply-side Notice of Intent (NOI) for power needed by the year 2000. Twenty firms submitted demand-side management NOIs, while 40 firms submitted NOIs for both categories.

The all-source request for proposals, developed by Sacramento-based Henwood Energy Services Inc., includes the prices of seven **bidders** which made the Sacramento Municipal Utility District's first-tier finalists list as guidance for **bidders** (EUW, 15 July, 5).

Using 1991 dollars, SMUD's four Sacramento area gas-fired cogeneration finalists had bids ranging from \$821 to \$950/kW for capital costs, \$18 to \$27/kW/year in fixed operations and maintenance costs, and 2.31 to 2.48 cents/kWh in fuel costs.

Kevin Woodruff of Henwood Energy Services said he "expected some **bidders** to propose utilizing NCPA's municipal financing to lower the cost of their power bids," a financing scheme used by SMUD to lower costs from local gas-fired cogeneration plants to approximately 4 cents/kWh.

Both supply and DSM **bids** will be **scored** according to a computerized quantitative ranking. Supply bid attributes include: delivered price; **project** viability; operating characteristics, including dispatchability, curtailability and reliability; environmental effects, including air emissions and water use; diversity by technology, fuel and geography; and transmission access.

A **bidders** conference will be held Sept. 12.

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02107435 (THIS IS THE FULLTEXT)

GM Awards Services Deal To CSC -- \$85M contract for distributed computing and help desk reduces reliance on EDS

(Computer Sciences Corp gets 10-yr, \$85 mil contract with GM's Locomotive Group for help-desk and distributed computing services for 2,200 users)

Information Week, p 36

April 06, 1998

WORD COUNT: 408

TEXT:

By: Bruce Caldwell

General Motors Corp. last week carved out an \$85 million chunk of EDS's business and awarded it to Computer Sciences Corp. The deal is the first designed to cut costs at GM by opening up pieces of the automaker's huge EDS services contract to competitive bidding.

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'Multivendor World'

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(USE FORMAT 7 OR 9 FOR FULLTEXT)

TEXT:

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5/7, K/40 (Item 3 from file: 148)
DIALOG(R) File 148: Gale Group Trade & Industry DB
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07610112 SUPPLIER NUMBER: 16300835 (THIS IS THE FULL TEXT)
It's time to bone up on recent changes in bid protest rules. (Federal
Contract Law) (Column)
Petrillo, Joseph
Government Computer News, v13, n25, p68(2)
Nov 21, 1994

TEXT:

The Federal Acquisition Streamlining Act changes the bid protest process at the General Accounting Office and the General Services Administration Board of Contract Appeals.

But when fine-tuning FASA, lawmakers compromised on the bid protest jurisdiction of the federal district courts and left untouched the protest process of those courts. The Senate favored entrusting jurisdiction exclusively to the Court of Federal Claims, but the House demurred.

Because most protests are filed after award, changes to the award notification and debriefing processes are important. Agencies must notify unsuccessful **bidders** within three days of contract award. If a debriefing is requested within three days of this notice, the agency must hold the meeting within five days.

~~The law also explains what agencies must divulge in the debriefing. Proprietary information remains secret, but agencies now must expose significant information to unsuccessful bidders.~~

~~A debriefing must include weaknesses and deficiencies in each bidder's proposal, cost and technical scores, and ranking of all offers. Additionally, the agency must provide make and model on commercial equipment offered in the winning bid.~~

When a timely protest is filed with GSBCA, the board suspends the contract pending the protest outcome. A similar stay applies when GAO notifies an agency it has received a protest.

Rule redux

The new law retains these basic time requirements--10 calendar days after award. But FASA also establishes an alternative period for halting the contract. Now, aggrieved **vendors** can file protests within five days after the debriefing.

The law also provides that if the last day of this period falls on a Saturday, Sunday or holiday, it will roll over to the next working day. Because of the possibility of a suspension, the contracting officer can direct the winning vendor to delay beginning contract work if the agency anticipates a protest.

When a GSBCA protest suspends a buy before award, the agency can continue with the procurement up to awarding of a contract. An agency that chooses this route, however, risks having labored in vain if the protest succeeds.

Some of the law's changes are more cosmetic than substantive. GAO had 90 working days from filing of a protest to issue its decision; it now has 125 calendar days. The law, however, encourages GAO and GSBCA to adjudicate all cases within original time limits. This will make it more difficult for judges to consider new issues raised during a protest.

Putting to rest recent litigation, the law authorizes GAO to issue protective orders. Under such orders, confidential material can be used in bid protest proceedings with procedures to prevent disclosure or misuse of the information. GAO has been issuing protective orders, so the law confirms current practice.

FASA also caps recovery of legal and expert fees for protesters that prevail in GAO and GSBCA protests. Judges cannot grant costs for lawyers' fees at more than \$150 an hour. The expert limit fluctuates according to

the highest rate an expect would receive for providing service to the government.

Before, GSBCA could dismiss frivolous protests or those in which **vendors** failed to provide a valid basis for its claims. The law expands this authority to include protests "brought or pursued in bad faith" and allows the board to seek procedural sanctions beyond dismissal.

However, it fails to explain what bad faith entails, so agencies and protesters doubtless will contest the definition.

Agencies and **vendors** must submit settlement agreements to the board when the settlement includes expenditure of appropriated funds. Scrutiny by agency inspectors general inhibits bid protest settlements.

Finally, for protests filed with GAO, if a prospective bidder requests, agencies must prepare a version of the protest file or an agency report that does not include proprietary information. This will give the **vendors** not involved in a protest the same insights into the buy as those participating in the dispute.

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...ABSTRACT: of the federal district courts. Under the new law, agencies are required to notify losing **bidders** within three days of contract award as well as reveal significant information to them, such as weaknesses in their proposals, cost and technical **scores**, and the ranking of **offers**. The make and model of commercial equipment in the winning bid must also be conveyed. A timely filing of a protest will allow GSBCA or GAO to suspend the **contract** until the case is resolved. Other changes that the revised legislation has brought about are...

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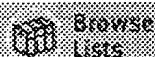
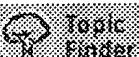
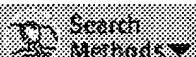
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A tiger for the west's tank?

Accountancy; London; Feb 1996; Meall, Lesley;

Volume: 117

Issue: 1230

Start Page: 22-24

ISSN: 00014664

Subject Terms: [Economic conditions](#)

[Economic growth](#)

[Market economies](#)

[Emerging markets](#)

[Foreign operations of US corporations](#)

[Economic conditions](#)

[Economic growth](#)

[Market economies](#)

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[Foreign operations of US corporations](#)

Classification Codes: 1110: *Economic conditions & forecasts*

9176: *Eastern Europe*

9510: *Multinational corporations*

1300: *International trade & foreign investment*

Geographic Names: Poland

Poland

Abstract:

Poland's economy is the fastest growing economy in Europe. Poland is a fertile ground for western companies with the required products and skills - and money to invest. The biggest investors - which include [PepsiCo](#) and [Procter & Gamble](#) - are currently from the US and Germany. The European Bank for Reconstruction and Development and the World Bank have also invested a great deal of faith and finance in Poland. The World Bank and the International Monetary Fund have lent most of the countries of the former Soviet bloc funds to speed their transition to a market economy. When the communist system in Poland collapsed in 1989, UK exports to the country were badly affected. After initial decline, trade picked up, and it is still increasing. From January to June 1995, UK exports were £415 million, up over 30% on the same period in 1994.

Full Text:

Copyright Institute of Chartered Accountants in England and Wales Feb 1996

Seven years into its mission to become a market economy, Poland is emerging as the economic tiger of northern Europe. While it has yet to match the economies of south east Asia (which it is beginning to resemble), it is moving rapidly in the right direction, and the Polish economy is looking increasingly healthy: it is the fastest growing in Europe.

The turnaround began in 1992, since when the Polish economy has grown 13% (according to International Monetary Fund figures). In the early nineties inflation reached almost 1,100%. By 1994 it had dropped to 30%, and is still reducing steadily.

During 1995 Poland achieved an inflation rate of 25%, a growth rate of 6.5%, and a debt-GDP ratio of 14.5%. Its unemployment stands at 14.5% and, unlike many of the other countries in eastern Europe, Poland has a burgeoning small business sector, with an estimated 800,000 entrepreneurs.

Fertile ground

The growth in this sector is remarkable for a number of reasons. Poland's small business entrepreneurs receive little government support and encouragement, and lack even the most basic tools. Telephones, for example, are prohibitively expensive to install and remain scarce among the native domestic and business communities. And, although Warsaw boasts direct dial connections with all countries of the world, and with all of Poland's provincial cities and towns, the telecommunications network is not very robust—to say the least.

Despite all this, Poland is a fertile ground for western companies with the required products and skills—and money to invest. Even the presidential election results have done little to decrease its popularity with foreign investors, especially the centrally located Warsaw province.

The biggest investors—which include ~~PepsiCo~~ and ~~Procter & Gamble~~—are currently from the US and Germany. But other countries are also showing an interest. Recently, the Korean concern Daiwoo bought a Warsaw car factory and a nearby electronics factory, and the Swiss company RIG Rentsch Industrie Holding AG has invested \$12m (with more to follow) in a plant that will produce cigarette and food packaging for export to other eastern European countries. ~~L'oreal~~ (France) is planning to construct a cosmetics factory near Warsaw, in cooperation with Polish companies. It will also export its products to other eastern European countries.

The UK is no exception. In the construction sector, Bovis, Laing and Costain are all involved in Polish ventures. British Petroleum intends to build 115 petrol stations in Poland over the next five years. British Gas, BOC, Grand Metropolitan, Pilkington and ~~Unilever~~ are also investors.

Finance for the recovery

The European Bank for Reconstruction and Development (EBRD) and the World Bank have also invested a great deal of faith and finance in Poland. And, while none of this looks misplaced, both organisations see their roles changing.

The World Bank and the International Monetary Fund have lent most of the countries of the former Soviet bloc funds to speed their transition to a market economy. But according to vice-president Wilfred Thalwitz, it will soon become a lender of last resort: 'I have a feeling that the first phase of this historic, wrenching transition is coming to a close,' he comments.

Over the past five years, the World Bank has approved 21 lending operations each estimated to be worth on average \$180m, and totalling \$3.9bn, for some major industrial and agricultural readjustment programmes. Poland has so far used just over half these loans.

In the future, Poland looks like needing less of this kind of help. 'We have gained broader access to international private capital after placing government bonds worth \$250m in financial markets,' according to the deputy prime minister and finance minister Professor Grzegorz Kobiolko. Poland may be entering a new stage of cooperation with those who have helped finance its recovery.

The EBRD also sees its role as a catalyst for drawing foreign investment into Poland gradually reducing. But it will remain involved in the privatisation process, and will be helping Polish banks' lending operations. The law prevents a Polish bank from lending any one client more than 15% of its capital. The EBRD may guarantee the excess.

Despite these agencies' reduced involvement, ongoing projects and projects under discussion remain significant.

They include: reforming tax administration and building company and property registers (Poland's financial law is based on old Austrian law); the development of transportation infrastructure and support for road building; and the provision of guarantees to help raise finance for motorway construction and railway investment.

Kick start

The Polish business community received a kick start in 1990 when the (then) finance minister Leszek Balcerowicz shocked the country with his radical reforms. But the government has slowed down dramatically since. As a result, the Warsaw provincial governor Bohdan Jastrzebski, and his colleagues from neighbouring provinces, formed an 'Agreement of Mazovian Provinces', and (with the government's consent) are now establishing a Mazovian Economic Zone. 'We use our statutory powers without waiting for government or parliamentary initiatives,' emphasises Governor Jastrzebski.

The eight provinces involved account for a sixth of Poland's territory and population, and, as Governor Jastrzebski explains: 'We jointly contribute an estimated 30% of GNP.' Production of electronic equipment is already the major industry in the Warsaw region, which has existing road, rail and air links with eastern and western Europe: there is enormous potential.

The Mazovian Economic Zone project will concentrate on making the area more appealing to investors by improving infrastructure and so on.

Modlin airport for example, is being modernised and extended. By 2010 it aims to handle up to 130,000 tonnes of cargo and service 7m passengers annually. The zone will also include a letters and parcels distribution centre, a bonded port, a passenger and cargo railway station, and centres for administration, banking and training.

Then the communist system in Poland collapsed in 1989, UK exports to the country were badly affected. But after an initial decline, trade picked up, and it is still increasing. From January to June 1995, UK exports were £415m, up over 30% on the same period in 1994. As Lord Fraser, Minister of State, said while visiting Poland late last year: 'Poland is a country worth doing business with.'

1: FACTS AND FIGURES

- * The main UK exports to Poland are: petroleum and related products; machinery; medical products; road vehicles; and office machines. The main UK imports from Poland are: non-ferrous metals; coal/coke; and iron and steel.
- * UK exports to Poland now exceed those to Russia.
- * Poland's privatisation ministry has sold or floated almost 200 companies since its formation in 1990.
- * The European Bank for Reconstruction and Development (EBRD) works in cooperation with its 40 member countries, private companies, and international organisations such as the OECD, the IMF, the World Bank and the UN. It was formed in 1991 to assist central and eastern states to change to free market economies.
- * The World Bank is more formally known as the International Bank for Reconstruction and Development, and is a UN specialised agency. It was established in 1945, and is financed by the governments of its 178 member countries, and by earnings on its loans and investments.
- * Poles are the planet's heaviest smokers, according to the World Health Organisation. Statistically, every Pole over the age of 14 smokes half a packet a day. Legislation was recently introduced to combat this by curbing advertising, restricting public smoking to designated areas, and banning cigarette vending machines in schools.

2. ON THE RIGHT TRACK

The Polish State Railway, Polskie Koleje Państwowe (PKP), is Poland's largest state-owned enterprise: it has 250,000 employees, and its Rail Health Service is a major healthcare provider. PKP is also Europe's second largest freight operator and fifth largest passenger carrier. In 1995 it carried 250m tonnes of freight and 46m

passengers.

As part of the privatisation process, and with help from the World Bank, PKP has undertaken a huge modernisation programme. This is essentially a rationalisation and cost-cutting exercise.

In the past five years, PKP has laid off over 100,000 employees—despite the involvement of 14 unions. 'Expenditure exceeds daily revenues,' says PKP's general director Aleksander Janiszewski, 'and payroll and derivatives alone account for 47% of our costs.' Most employees (80%) receive their wages in cash, and everyone is paid twice a month.

By the year 2000, PKP will have further reduced its staff, and sold off around 120,000 residential properties (mostly flats currently inhabited by employees). It will also have split the health service off from the rest of its operations. In addition, PKP will be closing unnecessary depots and reducing track.

By the turn of the century, it hopes to have completed its installation of high-speed (up to 160km/hr) railway connections between Warsaw and Katowice: as well as towards Prague, Bratislava, Budapest and Vienna. 'We expect Warsaw to develop as a way point for passengers travelling from one side of the Continent to the other,' says Mr Janiszewski.

The company is also doing everything it can to attract freight back from the roads—over 10m tonnes are now annually shipped by truck. Even so, according to Mr Janiszewski, the trend is towards declining passengers and increasing freight: 'Daily, there are 1,800 freight trains, and they are responsible for generating two thirds of our revenue. We run 5,100 passenger trains daily, but at a loss,' he explains.

Not surprisingly, PKP intends to split freight, passenger and infrastructure into three separate operating divisions.

The modernisation programme involves updating everything from the railway's infrastructure to its use of telecommunications and information technology. PKP is devoting \$145m (on loan from the World Bank) to information systems alone.

A project (worth \$5m) to modernise the railway's datacoms infrastructure is already underway. Over 1,500km of fibre optic cable has been laid to date, and a total of 4,000km will be installed over the next two to three years. In 1995, the State Railway signed a major deal (\$3.75m) for ~~Motorola~~'s high-speed communications equipment (including 6,500 modems), and network management software.

Fibre optic cable will eventually link 8,000 modems, and the network will be used to collect reservation and ticketing information, and provide message handling and e-mail capabilities.

'Three years ago Poland was an IT desert,' says Aleksander Slupczynski, PKP's IT director. 'In 1992 we were still batch processing and manually transporting documents.' Information from regional railway offices is still sent to the company's financial headquarters by post. But PKP is in the process of replacing this and many other time-consuming and labour intensive processes.

At the end of 1995 PKP signed a \$7.5m deal with Computron Technologies Europe for the software and tools it needs to reengineer all of its data handling systems and associated working methods.

Computron will be supplying a suite of state-of-the-art financial management and online archiving applications. The Windows-based client/server system will be used by over 3,500 non-technical staff; training is already underway, and pilot installations are imminent.

Computron did well to win the contract against competition from ~~Oracle~~, Ross and ~~SAP~~, all of which were involved in a long and complex bidding process.

'This is a World Bank contract, and their rules apply,' explains Mike Chambers, director of Warsaw-based Computron Rewiks. Anyone intending to bid has to put up 10% of the contract value as a performance bond. But there are other reasons why only serious bidders tend to get as far as applying for the bid document. As Mr Chambers explains: 'The bidding document is in two parts, technical and financial. It weighs a couple of kilos. It

took us four or five months of hard work to respond to the technical document alone.'

The bids were evaluated under strict World Bank rules. Mr Chambers explains: 'A scoring system was used to grade the responses, and we were then requested to present our software in a user environment, with reference site visits.' At this stage some of the bidders were dismissed for not reaching a high enough level of technical product compliance. 'It had to be above 87%', says Mr Chambers.

The selection process is much more rigorous and cautious than that followed by many western organisations in similar circumstances.

After winning the contract, Computron set up a joint venture with Rewiks, a Polish company closely linked to the Polish Institute of Chartered Accountants. 'It does some of the Institute's training and examination,' says Mr Chambers. 'For us that was a key component.'

The modernisation of Polish law and regulation means that a local specialist such as Rewiks is essential. As Mr Chambers says: 'At the moment, the Polish are hanging their law on the fly, so keeping up and complying with the statutory reporting requirements is very difficult. We need to take advice at every stage to make sure that our system complies.'

PKP may eventually mirror German railways set-up, which has a central database in Germany with terminals enabling agents to issue tickets in a variety of other countries. However, PKP has chosen not to about an existing IT rail system because of the age of the technology currently in use.

Because it is virtually starting from scratch, Poland may—in common with some other eastern European countries—actually overtake the West in its IT use. If nothing else, it will have fewer compatibility and integration problems.

'Ultimately, PKP expects to have its profit and loss figures available daily,' says finance director Witalis Borowski. 'The payback on the computer systems is expected over the next four to five years at around \$1.5m every year.'

3: TELECOMS

Despite the government's introduction of telecoms licences back in 1993, the market is still dominated by a single operator—the former state-controlled Telekomunikacja Polska. And, because it controls the national network, it represents a barrier to growth and competition for Poland's other 26 telecommunications companies. In Poland, peak charges are so high that it costs less to route national calls outside the country, than to route calls directly via Polska Telecom.

At the moment, Polska Telecom and Centerel, the Polish analog cellular operator, account for 97% of Poland's telecoms revenue. But the situation is changing. By 1998 the government would like to see the number of cellular networks increase to four. Not surprisingly, foreign telecommunications companies are showing an interest in the licences.

But, while the rewards for those who succeed may be vast, are they worth the bother?

The awards of the first GSM digital cellular licences have recently been the subject of much media coverage. At least one prospective bidder backed down because of the high cost (which some estimates put at \$1.2bn). Meanwhile, France Telecom and the US telecommunications group Ameritech are suing the Polish government and Polska Telecom for \$1bn, claiming they have broken previous commitments.

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